EXHIBIT 28



It's iPod's revolution: We just live in it

By Andy Serwer June 27, 2005

(FORTUNE Magazine) – IT'S HARD TO RECALL ANY BRANDED RECREATIONAL product that ever carried the cultural oomph that the iPod now has. The Hula-Hoop was a fad. The PlayStation, the Prince tennis racket, and the Big Bertha golf club have all had significant competitors. As for the Walkman, the iPod's mobile-music ancestor, it generated massive sales. But it never impacted behavior or peripheral markets quite the way the iPod has.

Apple has now sold some 15 million (and counting) iPods worldwide, and contrary to what many Steve Jobs bashers suggested, sales didn't fade away after Christmas. In fact, the company sold 5.3 million of these babies in the first quarter of 2005. (That's more than one per second of every working day during those three months.) The iPod has also spawned a major peripherals boom for companies like Bose, which makes the SoundDock, and Altec Lansing, which makes portable audio units for the iPod ("a big bump for us," says an exec from the company), as well as tiny players like Griffin, which makes iTrip radio transmitters. As for accessories, there are iPod cases by Burberry, Gucci, Coach, and even a Crystalmini, covered in Swarovski crystals for \$999. Never mind the hundreds of other shells, furry bags, socks, and water- and snow-proof Pod holders out there.

Even more than its astounding success in the marketplace, the iPod has become a true cultural and social phenomenon--it's influencing lives in a way that consumer marketing types usually only fantasize about. The iPod is not just the ultimate tween girl accouterment. It's practically indispensable in a Wall Streeter's briefcase, it's often a soccer mother's little helper, and it's definitely in every college dude's backpack. (Duke says it is ending its policy of giving it gratis to all incoming freshman. Of course: They all have one already!) How many products have that kind of demographic span? Meanwhile, the Pod is revolutionizing the retail music business as we download scads of songs--over 400 million at last count--from Apple's iTunes music store. Now the Pod is storing books and photos too.

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Some Podders take things further. Much further. There have been iPod parties in clubs in New York City, Amsterdam, and even places like Café Montmartre in Madison, where folks take a number and get ten to 15 minutes to try to out-deejay one another. There are websites (like www.podapic.com) that'll turn your digital photo into an iPod ad (I made my own imitation, above). The entrepreneurialism extends to kids: Ian, an enterprising 8-year-old I know, has taken to ripping his dad's friends' CDs so that they can be imported onto their iPods. (Ian gets \$1 a pop for that service, and let me tell you, he's doing just fine.) And of course you haven't really made it in our society unless you garner a theme cruise. The iPod's got one, sponsored by an outfit called Geek Cruises. This Podical journey sails from Vancouver, B.C., to San Diego in late September, and on it you can "learn how to swap out an iPod's battery and hard drive (if you dare!)."

Think about how the iPod's shuffle function is changing the way we listen to music. Having guests over? Just plug the Pod into your stereo, hit SHUFFLE, and see what happens. I did that the other night, and three hours and several cocktails later, we all lost it when the Chipmunks broke into "Jingle Bells." Radio stations are taking notice. Many across the country are switching to a new format called JACK FM, which is a long, random set list mimicking the shuffle phenomenon. By the way, for those of you like me who believe the shuffle function plays tunes in a less-than-random order (two Coltranes and a Miles all in a row?), Apple still denies it.

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At some point this iPod orgy will end, of course, but I'm not going to predict when. How many families have two iPods and will buy another within a year? How many cameras does your family have? How many cellphones? Maybe we should start thinking about the iPod in those terms. It sure doesn't look like a Hula-Hoop to me.

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